PATENT

ATTORNEY DOCKET NO. 114596-03-4000

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Serial No.:	09/385,394	Confirmation No.:	9093
Applicant:	John S. Yates, Jr., et al.		
Title:	COMPUTER WITH TWO EXECUTION MODES		
Filed:	August 30, 1999	Art Unit:	2183
Atty Docket:	114596-03-4000	Examiner:	Richard Ellis

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Respectfully submitted,

WILLKIE FARR & GALLAGHER, LLP

Dated: February 4, 2004

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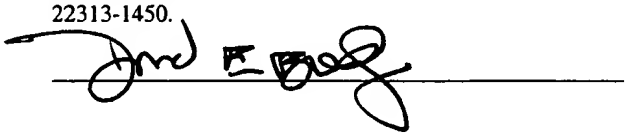

PETITION FROM DECISION OF DIRECTOR, OFFICE OF PETITIONS

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Petitioner seeks relief from errors in a "Decision on Petition Under 37 C.F.R. 1.181(a)(3)" of December 4, 2003 (the "Second Decision") and a "Decision on Petition Invoking Supervisory Authority under 37 C.F.R. § 1.181" of May 22, 2003 (the "First Decision"), rendered on Petitions filed July 15, 2003 (the "Second Petition") and April 10, 2003 (as supplemented May 2, 2003, the "First Petition").

The First Office Action (February 13, 2002) rejected 89 claims in 4 pages. The claims were amended. For example, claim 22 was amended into independent form for the sole purpose of forcing consideration of claim limitations that had not been addressed in this brief first Office Action. (June 22, 2002). A Second Office Action (October 1, 2002) was a total of 8 pages. Thereafter, a series of five Advisory Actions were issued, primarily during March 2003.

The First Petition sought to reopen prosecution, because the Office Action of October 1, 2002 (the "Second Action") was prematurely made final, and finality was erroneously maintained (March 28, 2003) after a Request to Withdraw Finality. The First Petition complains that (a) a number of new issues were raised in the eight-page second action that were absent from the four-page first action, (b) a number of issues that were first articulated by the examiner in

Advisory Actions of March 2003, after the record for appeal had closed, fundamentally changed the grounds of rejection, and (c) the two Office Actions omitted a number of findings that were required by the MPEP – silences on essential elements of a *prima facie* case amount to a failure to examine the claims. *See, e.g.*, Second Petition at 13 (discussing Examiner Ellis' refusal to consider "reasonable expectation of success" as a component of *prima facie* obviousness, and refusal to honor the "ordinary meaning" of claim terms).

The Technology Center Director's First Decision dismissed, stating that finality of a rejection was appealable subject matter.

The Second Petition challenged the conclusions of the First Decision: (a) the First Decision improperly reframed one of the issues presented, and (b) erred by holding that an issue of premature finality of a rejection was appealable, not petitionable subject matter.

The PTO took nearly five months to attend to the Second Petition. The Second Decision states that the issues were moot because of the filing of a Notice of Appeal and RCE.

The following questions are presented for review in this Third Petition:

1. Did the Second Decision err in determining that the Second Petition was moot, when the Second Petition sought several forms of relief that have not been mooted, and the Petition also fell within the "capable of recurring while evading review" exception to mootness?
2. Did the Second Decision err in failing to consider that a fee is "in excess of the amount owed" if it was never owed at all?
3. Did the First Decision err (a) in asserting that the issues presented in the First Petition were directed to appealable subject matter, when precedent of both the Board of Appeals and of the Director unambiguously holds that such issues are petitionable and not appealable, when MPEP § 706.07(c) states that "any question of prematureness of a final rejection ... [may not] be advanced as a ground of appeal ... [and is] reviewable by petition under 37 C.F.R. § 1.181," and (b) in recasting one question as directed to the first Office Action, when the actual question presented was a "new ground of rejection" posed in the second Office Action, that prevented finality?
4. Was the Second Action properly made final, when the examiner himself admits that the Second Action is <u>silent</u> on essential elements of his *prima facie* case, and otherwise violates non-discretionary requirements, and states that he applies legal tests that are directly contrary to MPEP requirements?

The Second Decision relied on several erroneous statements of law in its analysis of mootness. The Second Decision also failed to consider the question presented, whether certain fees were "owed" at all.

The jurisdictional analysis of the First Decision was erroneous. There is no precedent whatsoever supporting the assertion of the First Decision, that questions of finality are appealable. PTO precedent is uniformly to the contrary.

The two Office Actions omitted a number of required showings. Because of these omissions, no "clear issue" was developed for appeal and final rejection was premature pursuant to MPEP § 706.07. Further, these omissions are representative of several violations of non-discretionary requirements. When an examiner fails to follow MPEP requirements, his Office Action is "illegal and of no effect," *Vitarelli v. Seaton*, 359 U.S. 535, 545 (1959). The Second Office Action was not a rejection at all, let alone a final rejection.

I. The Second Petition Is Not Moot When It Requests Relief That Can Still Be Granted, Even At This Date

A petition is only moot when intervening events have rendered it "impossible ... to grant any effectual relief whatever." *Church of Scientology v. United States*, 506 U.S. 9, 12 (1992); *Cyprus Amax Coal Co. v. U.S.*, 205 F.3d 1369, 1372 (Fed. Cir. 2000) (even though intra-agency proceedings had granted as much relief as was available, the availability of a refund for taxes paid that were not due rendered the case not moot). Mere passage of the time window for even the "primary and principal" form of relief does not moot a case, where other forms of relief remain available. *Powell v. McCormack*, 395 U.S. 486, 496 (1969).

Here, several forms of relief have been requested that remain open:

(a) The examiner should be reminded that he must make showings with respect to each element of a *prima facie* case, as set forth in the MPEP – at the very least, he may not earn a "disposal count" for examination that has omitted claim limitations, and has not "developed a clear issue for appeal"

(b) The jurisdictional holding of the First Decision should be reversed – thereby reminding the T.C. Director that "any question of prematureness of a final rejection ... [is] reviewable by petition under 37 C.F.R. § 1.181."

(c) Fees paid only as a result of the examiner's error, that is, fees that were never "owed," should be refunded

The Second Decision determined the petition to be moot because one form of relief had been overtaken by events. Second Dec. at 6. However, three forms of relief remain open. So long as the Commissioner can "still fashion a useful remedy in this case by granting prospective relief from the effects" of the Examiner's and T.C. Director's errors by ordering that those errors not be repeated, a Petition is not moot. *NEC Corp. v. U.S.*, 151 F.3d 1361, 1369 (Fed. Cir. 1998).

The Second Decision should be reversed, and the First and Second Petitions given full consideration.

II. The First And Second Petitions Are Within Several Alternative Prongs of "Capable of Recurring While Evading Review"

The Second Petition presents "a classic justification for a conclusion of nonmootness" under the doctrine of "capable of recurring yet evading review." *See Roe v. Wade*, 410 U.S. 113, 125 (1973). This paragraph of the Second Decision addresses this issue (Second Dec. at 6, first full paragraph), but cites no legal authority, and falls into a number of errors.

The doctrine of "capable of recurring yet evading review" operates most strongly when the facts underlying the case are inherently of shorter duration than the time it takes to complete appellate review. *Globe Newspaper Co. v. Superior Court for the County of Norfolk*, 457 U.S. 596, 603 (1982) ("because criminal trials are typically of 'short duration,' an order [limiting press access to the trial] will likely 'evade review'"); *Roe*, 410 U.S. at 125 (because a pregnancy is limited to 266 days, less than the time for full appellate review of pregnancy-related issues, case was not moot).

Here, the total "time window" for petitioning a "final rejection" is at most 183 days. The total time consumed by the examiner's consideration of a first request for reconsideration of the finality issue (December 2, 2002 to February 10, 2003, 70 days), plus the time consumed by the

T.C. Director (April 10, 2003 to May 22, 2003, 42 days), plus the time consumed by the Petitions Office (July 11, 2003 to December 4, 2003, 146 days), is 150% of that "window."

The Second Decision erred, as set forth below.

A. The Second Decision Misstated The Law: The Test Is "Capable" Of Recurring, Not "Likely" To Recur

The Second Decision states that the issues are moot because they have been resolved and identical issues on the same papers are not "likely" to recur. Second Dec. at 6. This is an erroneous statement of the law, made all the more apparent by the absence of any citation to legal authority. The test is "capable" of recurring, not "likely" to recur. *Globe Newspaper*, 457 U.S. at 603. The test is not whether existing issues have been resolved; the test is whether future events are capable of presenting the same legal issue. *Id.*

The test for "capable of recurring" is whether intervening events have so changed the landscape that no reasonable possibility exists for recurrence of the same legal issue. There is no necessity that the recurrence be related to the first occurrence – for example in *Globe Newspaper*, an entirely speculative future recurrence was sufficient to prevent mootness. *Globe Newspaper*, 457 U.S. at 603 ("it can reasonably be assumed that ... someday"); *Roe*, 410 U.S. at 125 (not moot, even though Ms. Roe's pregnancy had terminated before completion of the district court proceeding, let alone appellate review, she was not pregnant at the time of the Supreme Court's adjudication, and there is no indication she intended to become pregnant). In the case of appellate review of an error of a lower tribunal, such as petitions directed to errors of examiners and T.C. Directors, even final completion of one proceeding does not render the review moot, if it is "a reasonable assumption" that the same party "will someday be subjected to [a similar] order" by the lower tribunal, even if that future case will be on totally different facts, in front of a different judge. *Globe Newspaper*, 457 U.S. at 603.

Here, this application remains pending before the same examiner as before. Examiner Ellis has stated on the record that he refuses to make the *prima facie* showings required by the MPEP. *See* Second Petition at 13 (discussing Examiner Ellis' refusal to consider "reasonable

expectation of success" as a component of *prima facie* obviousness, and refusal to honor the "ordinary meaning" of claim terms). Without the relief requested in the First and Second petitions, there is every reason to believe that the errors alleged in the Petitions will recur, and that the application will again face final rejection before any "issue is developed for appeal." These Petitions are not moot.

Similarly, the legal error in the First Decision prevents mootness. The First Decision violated 37 C.F.R. § 1.181(a)(1) by failing to consider a petition directed to a non-appealable issue, and violated MPEP § 706.07(c) by dismissing a petition directed to petitionable subject matter. "It can reasonably be assumed," *Globe Newspaper*, that this the T.C. Director will apply the same erroneous legal test. This issue is "capable of recurring." Because of the delays in adjudicating such petitions, the T.C. Director's error is capable of recurring, but never reach final review before the time window closes. Such petitions cannot be moot.

B. The Second Decision Errs By Omitting Consideration Of The Special Mootness Exception Applicable To Government Actions

A case is not moot when it concerns "governmental action [under which] petitioners are adversely affected by government 'without a chance of redress.'" *Super Tire Engineering Co. v. McCorkle*, 416 U.S. 115, 122 (1974); *see also Apotex, Inc. v. Thompson*, 347 F.3d 1335, 1345 (Fed. Cir. 2003) (case is not moot "where a governmental policy affected and continues to affect a present interest"). Here, Petitioner is adversely affected by the examiner's failure to examine an application within the rules mandated by the MPEP: certain claims are not allowed, even though they have never been examined in a manner consistent with PTO rules, and Examiner Ellis indicates little likelihood of abiding by PTO rules in the future. Petitioner also remains adversely affected by the T.C. Director's "policy," unauthorized by the PTO, of refusing to entertain petitions addressed to premature finality of an Office Action, because Petitioner was forced to pay an RCE fee, instead of having the application examined within the original fee paid.

Under *SuperTire* and *Apotex*, the Petitions are not moot.

C. The Reasons Given In The Second Decision Are a *Non Sequitur*

An agency's failure to "consider the relevant factors" is ground for reversal. *Motor Vehicle Mfrs. Ass'n v. State Farm Mutual Auto. Ins. Co.*, 463 U.S. 19, 42-43 (1983). The Second Decision notes that the full record developed after the final Office Action, in response to the positions first stated in the Advisory Actions, will be before the examiner during the RCE. This is a *non sequitur* – the test for finality is whether the Office Action itself has developed issues for appeal. MPEP § 706.07.

The issues raised in the Advisory Actions had nothing to do with the issues presented in the October 2002 Office Action. Examiner Ellis changed his position completely on several issues. For example, the Affidavit of David R. Levine, *e.g.*, ¶¶ 5-14, is addressed primarily to issues raised in the Advisory Actions, papers no. 19 and 20, issues that were not present in the Office Action, paper no. 8. A complete change of position conclusively proves that issues were not "developed for appeal" in the Second Action. The Second Decision fails to consider the relevant factors, whether the second Office Action met the MPEP test for finality.

The Second Decision is erroneous, and should be reversed. Pursuant thereto, the issues of the First and Second Petitions should be addressed, and finality of the second Office Action vacated.

III. The Second Decision Erred By Failing to Consider Whether Fees Were Never Due At All

It is well-established that where an agency acts contrary to its own rules, where an agency decision (such as an examiner's Office Action or a T.C. Director's Decision) is "a fiction," a party is entitled to a remedy that puts the party "into the position that he would have been had the proper procedures been followed at the relevant times." *E.g.*, *Service v. Dulles*, 354 U.S. 363, 374-76 (1957) (unpublished agency manual, much like the MPEP, creates procedural rights, and violation of those rights creates a right to back pay); *Dodson v. Dept. of the Army*, 988 F.2d 1199, 1208 (Fed. Cir. 1993) (granting back pay and benefits for the period during which a service man was discharged without the procedure guaranteed by Army regulations).

Here, the examiner's Office Actions omit so much that Petitioner was unable to determine the basis for rejection. As described more fully in the First Petition, several of the grounds of rejection described in the advisory actions are totally incompatible with the grounds stated in the Second Action. There was no "clear issue developed for appeal" at the time the Second Action was issued – the examiner's changed positions would have aborted the appeal under 37 C.F.R. § 1.193(b)(2). Where fees were paid only because of the PTO's error in prematurely making the Second Action final, and those fees are determined not to have been owed at all, a refund for the amount "in excess of the amount owed" – that is, the entire fee – is required under *Service* and *Dodson*.

The Second Decision cites to *Ex parte Grady*, 59 USPQ 276, 277 (Comm'r Pats. 1943). However, *Grady* itself distinguishes the facts of this case. *Grady* limits itself to cases where "There is nothing in the facts presented ... which suggests that the rejection of the claim by the Primary Examiner is not *bona fide*." Here, the lack of a *bona fide* attempt to examine the application, and the T.C. Director's lack of a *bona fide* attempt to adjudicate the First Petition, are the core issues.

Several claims of the application have not even been examined. They are not rejected, let alone finally rejected. No fees were due, and the fees paid should be refunded.

IV. The First and Second Petitions are Renewed

Petitioner hereby renews the First and Second Petitions.

If final rejection is not a point at which the Commissioner offers educational guidance for his examiners, Petitioner requests identification of an alternative procedure for seeking "management and direction," 35 U.S.C. § 3(b)(2)(A), to ensure that examiners exercise only the authority delegated them by the Director in the Office Actions mailed to applicants, and develop issues to the point where appeal can meaningfully proceed.

V. Requests for Relief

Petitioner requests the following relief:

1. The Second Decision's determination of "mootness" should be reversed.

2. The First Decision on jurisdiction should be reversed. The T.C. Director should be instructed that petitions drawn to "prematureness of a final rejection" are not appealable, and must be considered by petition.

3. The requests for relief raised in the First Petition should be granted:

a. Finality of the Office Action of October 1, 2002 should be withdrawn, subject to an Office Action that demonstrates all elements of *prima facie* unpatentability as set forth, *e.g.*, in the MPEP and 37 C.F.R. § 1.104(d).

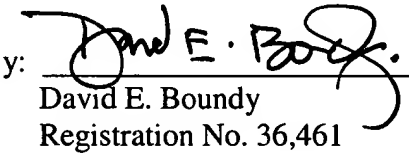
c. Because the Second Office Action was incomplete, it was improperly final *ab initio*. The Response to Office Action filed on December 2, 2002 may be entered as of right to toll the shortened statutory period. The Petitions for Extension of Time, Notice of Appeal and Request for Continued Examination filed subsequent thereto thus become nugatory, and any fees associated therewith may be refunded. The Response Accompanying RCE filed on June 30, 2003 may be entered as a supplementary response.

It is believed that this paper occasions no fee. Kindly charge any additional fee, or credit any surplus, to Deposit Account No. 23-2405, Order No. 114596-03-4000.

Respectfully submitted,

WILLKIE FARR & GALLAGHER, LLP

Dated: February 4, 2004

By: 

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